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Attorneys for Petitioner
PACIFIC GAS AND ELECTRIC COMPANY

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

In the matter of the Arbitration between

PACIFIC GAS AND ELECTRIC
COMPANY,

Petitioner,

And

THOMAS KNOWLES and THOMAS
HICKS,

Respondents.

Case No. CV-08-1211-TEH

**[PROPOSED] ORDER GRANTING
PACIFIC GAS AND ELECTRIC
COMPANY'S MOTION TO VACATE
ARBITRATOR'S INTERIM AWARD
AND TO STAY ARBITRATION
PROCEEDINGS**

Date: April 7, 2008
Time: 10:00 a.m.
Courtroom: 12
Judge: Hon. Thelton Henderson

1 The Motion to Vacate Arbitrator's Interim Award and to Stay Arbitration Proceedings by
 2 Petitioner Pacific Gas and Electric Company ("Petitioner" or "PG&E") was heard by the Court
 3 on April 7, 2008. Susan T. Kumagai, Esq. of Lafayette & Kumagai, LLP appeared and argued on
 4 behalf of Petitioner. Daniel B. Beck, Esq. of Beck Law, P.C. appeared and argued on behalf of
 5 Respondents Thomas Knowles and Thomas Hicks (collectively "Respondents").

6 Having considered the moving and opposing papers, the arguments of counsel, and all
 7 pleadings and papers on file herein, it is HEREBY ORDERED, ADJUDGED, AND DECREED
 8 that:

9 (1) the interim award, AAA 741663907, entered by Arbitrator Norman Brand ("the
 10 Arbitrator") on December 3, 2007 in the arbitration proceeding initiated by Respondents against
 11 PG&E is vacated to the extent that the Arbitrator found that Respondents claims' for breach of an
 12 oral agreement and for breach of the implied covenant of good faith and fair dealing arising from
 13 the alleged oral agreement were arbitrable;

14 (2) the Arbitrator acted in manifest disregard of the law when he concluded that
 15 Respondents' claims for alleged breach of oral agreement and breach of the implied covenant of
 16 good faith and fair dealing in the oral agreement were arbitrable because the Severance
 17 Agreements entered into by Respondents and PG&E contain an unambiguous integration clause
 18 providing that they "set forth the entire agreement between the parties and fully supersede[] any
 19 and all prior agreements or understandings";

20 (3) the Arbitrator acted in manifest disregard of the law when he concluded that
 21 Respondents' claims for alleged breach of oral agreement and breach of the implied covenant of
 22 good faith and fair dealing in the oral agreement were arbitrable because PG&E and Respondents
 23 never entered into a written agreement to arbitrate oral contracts;

24 (4) the Arbitrator acted in manifest disregard of the law when he concluded that
 25 Respondents' claims for alleged breach of oral agreement and breach of the implied covenant of
 26 good faith and fair dealing in the oral agreement were arbitrable because PG&E and Respondents
 27 did not agree to arbitrate claims arising out of an alleged oral contract;

(5) the Arbitrator acted in manifest disregard of the law when he concluded that Respondents' claims for alleged breach of oral agreement and breach of the implied covenant of good faith and fair dealing in the oral agreement were arbitrable because Respondents seek rights created pursuant to a collective bargaining agreement between PG&E and the International Brotherhood of Electrical Workers, Local 1245 ("the CBA") such that their determination requires reference to and interpretation of the CBA and thus the claims are preempted under Section 301 of the Labor Management Relations Act., 29 U.S.C. §§185; and

(6) the arbitration initiated by Respondents against PG&E, AAA 741663907, is stayed pending final determination of the civil action Respondents filed against PG&E.

IT IS SO ORDERED.

Dated: _____, 2008

The Honorable Thelton Henderson
United States District Court Judge

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PROOF OF SERVICE

I declare:

I am employed in the City and County of San Francisco, California. I am over the age of eighteen years and not a party to the within action. My business address is 100 Spear Street, Suite 600, San Francisco, California, 94105.

On February 29, 2008, I served the document named below on the parties in this action as follows:

[PROPOSED] ORDER GRANTING PACIFIC GAS AND ELECTRIC COMPANY'S MOTION TO VACATE ARBITRATOR'S INTERIM AWARD AND TO STAY ARBITRATION PROCEEDINGS

☒ (BY MAIL) I caused each and such envelope, with postage thereon fully prepaid, to be placed in the United States mail at San Francisco, California. I am readily familiar with the practice for the collection and processing of correspondence for mailing, said practice being that in the ordinary course of business, mail is deposited in the United States Postal Service the same day as it is placed for collection.

☐ (BY PERSONAL SERVICE) I caused to be personally served each document listed above on the addressee (s) noted below.

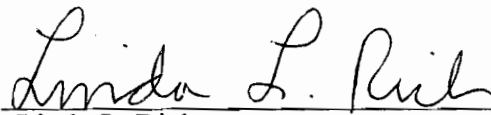
☐ (BY FACSIMILE) I caused to be sent via facsimile at the facsimile number listed below, a copy of each document to the addressee(s) noted below

☐ (BY OVERNIGHT MAIL) I caused to be delivered to an overnight courier service each such envelope to the addressee noted below.

Daniel B. Beck, Esq.
Mahsa Gholami, Esq.
Beck Law, P.C.
2681 Cleveland Avenue
Santa Rosa, California 95403

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on February 29, 2008, at San Francisco, California.


Linda L. Rich